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AT&T's 'Property'

American Telephone & Telegraph Co., the telephone colossus, has asserted the right to snoop into the personal records of its customers.

This startling claim was made in court testimony, which has been sealed. Company executives acknowledged behind closed doors that they had confiscated the long-distance telephone records of a former employee.

"They were our records and I wanted to see them," testified Chester Todd, the corporate official who sent for the records. The sealed testimony made clear that AT&T felt it also had proprietary rights to anyone else's telephone records. The company treated its erstwhile employee, according to the testimony, "like just any other customer."

This would seem to fly in the face of AT&T's proclaimed regulations, which specify that private phone records can be obtained only by court subpoena. Then the customer is supposed to be notified.

What AT&T proclaims in public and what it does in secret, however, don't necessarily coincide. This is apparent from the case of James Ashley, who was fired as an assistant vice president for Southwestern Bell. After his abrupt departure, his telephone calls were inspected without subpoena and without notice.

AT&T, of course, pulls the corporate strings, that operate the vast Bell System. Ashley claimed he was fired by Bell for refusing to participate in its political corruption. He swore that he had been compelled to donate \$50 per month to an illegal political slush fund.

Bell executives also were required, he said to make other regular cash contributions to the slush fund. Afterward, the executives recovered the money by submitting false vouchers, he charged.

Another Bell executive, T. O. Gravitt, allegedly was driven by his conscience to kill himself over the internal corruption. He left a suicide note charging that "Watergate is a gnat compared to the Bell System." Both Ashley and Gravitt's widow are suing Southwestern Bell.

According to the sealed testimony, three company officials admitted that

they had seized Ashley's long-distance telephone records. "All the records were sent to me," testified Todd. "I finally sent them to the legal department."

It was acknowledged that Southwestern Bell's lawyers could determine from the records whom Ashley had been calling—information that could be used to fight his lawsuit. But a company official swore that Ashley's records were confiscated merely to check on his telephone charges.

Footnote: A spokesman told us that AT&T feels Ashley's telephone records belonged to the company. He denied that the records were used to investigate Ashley.

White House Chaos: White House operations have been reduced to a state of controlled chaos, according to sources on the inside. The prevailing confusion can be blamed, in part, on the frantic effort to keep President Ford in the White House.

But the problem has its roots, our sources suggest, in the transition days when Mr. Ford's team took over from the Nixon palace guard. Mr. Ford "over reacted" to the rigid, highly structured Nixon methods, they say.

In contrast, Mr. Ford's approach was loose, casual, easygoing. At first, the new President directed the operation himself. It was part of his learning process. But now that he has a better grasp of the job, he leaves the routine decisions to the staff while he concentrates on the larger policy problems.

This has left the staff more on its own. The result, according to one insider, is that "a lot of people have been going around in different directions." The footloose presidential aides usually wind up attending conferences.

Other insiders contend that there is bound to be some disgruntlement and confusion in any organization. They acknowledge that staff chief Richard B. Cheney doesn't keep as tight a control as Donald Rumsfeld did before becoming Secretary of Defense.

"There are a lot of end runs around Cheney," said one source. But others praised Cheney. "He is a tremendously talented guy," said one.